HJ
1023
R3

WAR AND FINANCE

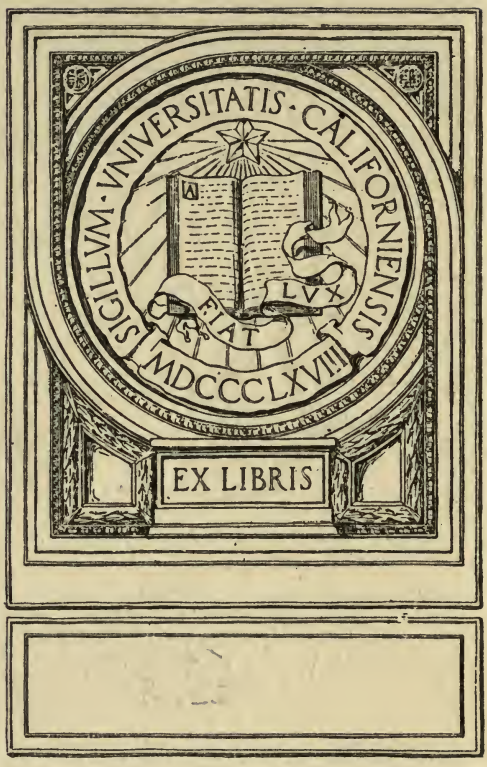
HOW TO SAVE THE SITUATION

BY

RAYMOND RADCLYFFE

Price One Shilling net

LONDON
WM. DAWSON & SONS LIMITED
ROLLS HOUSE, BREAM'S BUILDINGS
FETTER LANE, E.C.


SIGILLVM · VNIVERSITATIS · CALIFORNIENSIS
FIAT
LVX
MDCCCLXVIII
EX LIBRIS

Digitized by the Internet Archive
in 2008 with funding from
Microsoft Corporation

http://www.archive.org/details/warfinancehowtos00radcrich

THE WAR AND FINANCE

HOW TO SAVE THE SITUATION

BY

RAYMOND RADCLYFFE

UNIV. OF CALIFORNIA

LONDON
WM. DAWSON AND SONS LTD.
ROLLS HOUSE, BREAM'S BUILDINGS
FETTER LANE, E.C.

1914

HJ1025
.R23

J. A. WATTIE & Co. Ltd.

39 LOMBARD STREET, LONDON, E.C.

CODES—PREMIER
ABC 5TH EDITION
BROOM HALL
(RUBBER EDITION)

TELEPHONE
AVENUE 3672
TELEGRAPHIC ADDRESS
"GUINOLA, LONDON"

Head Office: 10 Canton Rd., SHANGHAI

The Shanghai Office will be prepared to arrange or undertake agencies for approved manufacturers for representation in China.

DUTCH EAST INDIES

Head Office: SOERABAYA, JAVA

J. A. Wattie & Co. Ltd. already represent and act as Managing Agents for 16 Hemp, Coffee and Rubber Estates in Java, and are prepared to accept additional agencies for Plantation Companies having estates in Java or Sumatra.

LONDON

J. A. Wattie & Co. Ltd. act as Bankers, Commercial Agents, and Secretaries for approved Companies.

ALL COMMUNICATIONS TO

J. A. WATTIE & Co. Ltd.

39 LOMBARD STREET, LONDON, E.C.

CONTENTS

CHAP.		PAGE
I.	INTRODUCTION	5
II.	THE COST OF WAR	14
III.	THE STOCK EXCHANGE	21
IV.	THE BANKS	30
V.	THE MORATORIUM	38
VI.	HOW TO SAVE THE SITUATION	44

324291

NORTH BRITISH & MERCANTILE
INSURANCE COMPANY

Established 1809

"An old and first-class office."
"Low rates a distinctive feature."
TIMES.

"Deservedly enjoys a world-wide reputation for financial strength and liberal treatment of its policyholders."
STATIST.

FUNDS EXCEED £23,500,000

INCOME £5,500,000

Chief Offices:
LONDON: 61 Threadneedle St., E.C.
EDINBURGH: 64 Princes Street

I

INTRODUCTION

WAR means destruction. This is self-evident, but how few realise it! In Great Britain not one in a hundred thousand. When an Englishman speaks of war he calls up some vision of a hand-to-hand fight; some romantic picture of a "Soldier's farewell." War to the British nation has never meant anything more than a disagreeable increase in the income tax, a little shouting, a little weeping. The idea has never conveyed any risk of personal loss or personal ruin. We have been engaged in a dozen wars during the past fifty years; some serious, but all so far away that they could be viewed with calmness. The casualty lists were very sad of course. But we put up a few nice marble memorials. The War Office of the period behaved as all British War Offices have ever done. It was cursed and then all went on as before. The politician interfered as all politicians will do. When he made too flagrant a blunder he was disgraced as Joseph Chamberlain was. Politicians always do silly things, but the

British bear them patiently. They are too indolent to revolt, too phlegmatic to shout and curse. Somehow the wars get ended, no one quite knows how. A good deal of tosh is talked about "glory," a few sane people see the mistakes that have been made and try to prevent war offices and politicians from repeating these mistakes. But usually these sane people are more or less ashamed of their criticisms. They think they are unpatriotic. The general public never has any doubt on the question. "After all, what does it matter," says John Bull as he shrugs his shoulders and pays the bill.

John Bull paid a bill of eighty millions for the Crimean War, and another of two hundred millions for the Boer War, and never winked an eyelid. His trade went on smoothly. If a few people found their returns go down, a dozen others were making money out of war contracts. In every war that England has been engaged in since the Napoleonic era the motto "Business as usual" has been apposite and appropriate. However much has had to be paid out, there has always been more coming in.

But the present war is upon an entirely different basis. Practically the whole Continent of Europe is involved. And what is worse, the United States, Canada, and the whole of South America are

suffering from a severe reaction due to a trade boom and over-speculation. Brazil has defaulted; Chili, the Argentine, and Uruguay are in dire trouble. The United States cannot ship gold, and has narrowly escaped a serious panic. Our manufacturers have to face an immense loss of trade on the Continent and a serious cutting down of orders from every other part of the world.

We are up against the greatest military power of modern times. Germany has been preparing for the struggle for many years. She has arranged every detail in the most methodical manner. Nothing has been left to chance. The German does not miscalculate; he does not believe in "muddling through."

We must not under-rate our foes. They are brutal, pitiless; but these are not bad qualities in a soldier, however disagreeable they may be in private life. We may hate the Germans like poison, but we must respect their capacity to both fight and organise. For one whole month their armies operating in Belgium and France carried all before them. Our reports spoke of enormous losses, but such losses did not stay the progress of the Prussian. The only excuse we could make for our lack of success was that we were outnumbered. But this was no excuse at all. We

should have known to a hundred men how many troops we had to fight. We complained that the enemy had too many aeroplanes. It was open to us to buy as many as we needed. But our War Office would have nothing to say to aeroplanes. We were sick because innumerable Zeppelins were arrayed against us; we had as much reason to complain that the machine-guns were efficient or the Uhlans daring.

In war the only way to win is to be prepared for the worst. And the worst that can happen to us is starvation and invasion. Both are possible, though not probable. We can guard against starvation by storing food supplies, and against invasion by shipbuilding and conscription. Are we storing food? Are we building sufficient ships? We are no nearer conscription than we were a hundred years ago.

An army of a million men is estimated for. Recruiting goes on slowly. Politicians, vain people! think that they can get the necessary troops by making speeches. I hope that they can. But if we promised our soldiers a pound a week and their food we should be able to pick and choose, and in two years we should have a real army, as good and better than any Continental force of similar size. We must not consider the

cost. A man who finds a burglar in his bedroom is an ass if he refuses to fire a shot because it would cost money. I am not writing in favour of conscription. Lord Roberts has said all that can be said upon this point, and had he been heeded this war would never have occurred. A paid army may suffice. It is expensive, but if we haggle whilst our house burns we shall lose all we possess. It is said that we are short of uniforms, rifles, and artillery; that we have not enough officers, not enough drill-masters. But Lord Kitchener is a strong man. Backed by Mr. Winston Churchill, who is also a man of action, we should be able to overcome the inaction of the War Office, the procrastination of the lawyer.

But I am not out to slay the permanent officials of the War Office. They lie fat and snug in their warm berths, bleating inutilities as they have done since the days of the Crimean War. It is sad to think that a capable man like Lord Kitchener should have to deal with men who inherit traditions of incompetency handed down generation by generation. It was meet that they should have been ruled over by a lawyer whose main claim to respect was that he was a friend of the Kaiser.

The stupidity of the War Office is incurable

except by revolutionary measures, and of these I see no sign. Indeed everyone was delighted at the orderly manner in which our retreat was conducted. No one suggested that we should have been ready for a war about which the whole world had been talking for a half a dozen years, and which had been studied in its minutest details for three years. Not only was the public pleased with the system of retreat forced upon our brave troops, who by the way did not appreciate the pleasures of an advance backwards, but it also seemed entranced with the courage of the whole Ministry. A plain ordinary critic like myself, who knew that a European war was inevitable as soon as Austria sent her ultimatum, does not understand why Mr. Churchill was not allowed to destroy the German Fleet on the Saturday before war was declared. His admirals had the Germans in their power, his ships were cleared for action, and it is rumoured on good authority that he implored the Cabinet to declare war and promised an instant sinking of the German boats. He had ample excuse in the detention of British ships at Hamburg, an act of war in itself. But the Cabinet of attorneys, which rules England to-day, quibbled and begged for delay. Lawyers are trained to delay. Their income is derived by the careful breed-

ing of delay by delay. Indecision means money to a lawyer. Words are his weapons. He has a horror of all deeds not engrossed on parchment and charged up per folio. Unluckily the German Kaiser wastes no words, has no respect for the parchment deed or treaty, and he must have grinned as he took our steamers in Hamburg, sowed the North Sea with mines and hid his fleet behind Heligoland—an island presented to him by his grateful Grandmother.

I am not asking the public to turn out the attorneys. I do not think that those who sit on the opposite side of the House are one whit more capable. Indeed nothing could be more impotent than the manner in which the Press Censorship was managed by Mr. F. E. Smith, who is supposed to be the leading Tory statesman. That he has all the tricks of the lawyer up his sleeve was shown by his handling of the *Times*. But does England want a trickster? Does she not need a man of action?

We are ruled by lawyers, chosen, not for their courage, their organizing powers or their patriotism; but picked out of the party for their chicanery; their capacity to play tricks on their opponents; their facility in verbal battle: their ability to jibe and jeer, and their suppleness in accepting reverses.

In short the lawyer is the exact opposite to a soldier. The fighting man says little and hits hard. He has no thought of compromise. He finds nothing to admire in verbal cunning.

We are most unfortunate in that at the very crisis of our fate we should be at the mercy of a gang of politicians compared with whom Taper and Tadpole were statesmen. These gentry have appealed to the patriotism of the Nation to leave them alone. They have played the very game played by their opponents in the Boer War. Then anyone who dared to say that Joseph Chamberlain had made a mistake in under-estimating Kruger was called a pro-Boer. Then anyone who dared to say that the first duty of a soldier was death, not surrender, was howled down. Balfour, Chamberlain and Co. kept in office for years by pretending that anyone who criticised them was unpatriotic. The present ministry are doing the same thing. The Opposition didn't want to bear the obloquy of a long sustained retreat conducted in a masterly manner. So they lay low.

But posterity will not be so soft-hearted. The historian will wonder why we were completely unprepared on land, why our fleet was not allowed to act, why no single scrap of news was allowed to appear in any newspaper for over a month, why the

English nation had to rely for its history of the war upon Marconigrams "made in Germany." Posterity will sneer at our lack of foresight in not providing a fleet of airships and aeroplanes. Our grandchildren will call us fools because we, seeing armies in millions all over the Continent, had not a couple of hundred thousand men ready to fight.

But if we are called fools we shall not be called cowards, thank God! For we mean to fight this fight to a finish. It may take three years. It may last as long as the Napoleon wars. But we shall not give in. Win we must, and win we shall. We shall learn to be as brutal as the German, as careless of life as the Russian. We shall remember all our old fighting tricks. We shall even remember how to be efficient. We may learn to organize. But we shall not give in till we win.

II

THE COST OF WAR

I HAVE said that war means destruction. It means destruction not only of life but of property, and therefore credit which is based upon property. We cannot compare the present war with any other in history. We have nothing to go upon. From the point of view of the number of countries involved it is bigger than the great wars of Napoleon. But in those days there were no public companies. Each man worked for himself, and the mainstay of the rich people was not manufacture but agriculture. War lays waste the fields, but the next year the fruitful soil can be tilled. Therefore a loss of harvest in one year can be made up in the next. Even in those days the armies had to be fed, and agriculturalists and landowners who were outside the range of operations made large fortunes by supplying troops with food. Landed proprietors grew fat on war. Wheat was at a fabulous price, and other food stuffs rose in proportion. The manufacturing trade of England did not suffer

seriously, for England then only did a moderate export trade and her factories were kept busy throughout the whole war. The Crimean War hardly affected English trade at all; the Franco-German, coming as it did at the end of a trade boom, sustained that boom for almost a twelvemonth. The Japanese and Russian War had little or no effect upon English trade; the Balkan wars, although seriously injuring Austria and certainly affecting Germany, only damaged such manufacturers as supplied the Near East with goods.

The present war stands alone. It has involved so many nations that world credit has been destroyed; exchange no longer exists; Bourses are everywhere closed; securities are unsaleable; credit has vanished.

The complete collapse of our modern system of credit is due in part to the system of limited liability companies which has grown up during the past fifty years. To-day every one with any money has an interest in some trade or another. They have purchased this interest, fondly believing that the certificate of interest was readily saleable and that a definite income would always accrue to its owner. In order to deal the more readily with these certificates Bourses have been established in every large city in the world. We have become

so used to dealing in stocks and shares that all the civilised nations have sunk the bulk of their savings in these securities. We considered these promises to pay had an absolute definite value. We now find that their value is nebulous; that they are to-day almost unsaleable and that as long as the war lasts they will be unrealisable in bulk. The millionaire is now no better off than the poor man; indeed he is much worse off, for the poor man has been accustomed to work hard all his life, and shortage in luxuries means nothing to him. But the rich man has not worked. He has become a moneylender. He has sat in his office and watched his gold double in value in a few years, his general intelligence has become atrophied, his capacity for endurance has gone. He has cultivated but one gift—that of money-making. This gift is valueless in war time, therefore we must be sorry for the millionaire. We have hitherto envied him, now we shall pity him. The whole credit system of Europe has gone by the board. As the trade of North and South America is so intermeshed with that of Europe, the credit system of the American continent has received a terrific blow from which it shows little sign of recovery.

The curious thing is not that it has happened, but that we should be surprised at the happening. Dozens

of thinkers have prophesied the present débâcle. Shrewd as the money-maker is he never heeded the prophets, and to-day he is aghast at his position. The catastrophe has come so suddenly that he has not yet lost his optimism. He believes that empiric methods will restore his wealth. He cannot realise that war means destruction to him as it does to the soldier. In Germany, where the credit system has been carried to its extremest point, the German financier was ready with a scheme the day that war was declared. That scheme is based upon make-believe. It cannot be permanent, but so confident is the German of winning the war that he does not mind this. He thinks that the war of 1914 will be as profitable to him as the war of 1870, by which he claimed to have made £174,000,000. I cannot agree these figures. Germany's loss in business alone was about £50,000,000, she spent £135,000,000 on the war, and received an indemnity from France of £200,000,000. There is no doubt that the intense financial suffering of the German Empire in the years following the war were a direct result of that struggle. It is impossible to drive this home to the German who has been taught all his life to look upon war as a profitable undertaking. To-day he is issuing paper money against every kind of property, very much as France did in the Napo-

leonic wars. He should remember, however, that assignats became in 1795 absolutely valueless. No less than £1,800,000,000 had been issued and their price fell to one per cent. of their nominal value. Napoleon thereupon hit upon the plan of making the countries in which he fought pay the cost of his campaigns. Austria paid him £3,400,000 after Austerlitz, and in the 1809 campaign he extracted another £6,000,000. WhenNapoleon abdicated, the finances of France showed a deficit of only about £24,000,000, which, considering the length of the wars and their severity, was ridiculously small. The Napoleonic wars cost England £831,446,449, whilst the war with the American colonies cost over £120,000,000, consequently the Bank of England discontinued cash payments from 1797 to 1811, and taxes which in 1792 were £20,000,000 rose to £100,000,000 a year in 1815. In those days war was cheap. The soldiers were accustomed to billet themselves upon the towns they occupied; the Navy paid itself out of prize money. On the other hand the troops got fairly high pay. But I repeat that the present elaborate system of joint stock company finance did not exist. Consequently the destructive capacity of war was directed more against human beings and their immovable property than against their credit.

A victorious army could borrow easily and live cheaply.

To-day, the whole world over-trades and over-speculates. Everything is on paper. Fifty per cent. of our companies depreciate only on paper. Thus the assets mount up year by year, and as they increase so does the capital. But the whole added wealth is imaginary. No real provision is made for days of trouble, the imaginary paper profits are paid away in dividends, the money for which is often borrowed from the banks. Not thirty per cent. of our limited companies are therefore in a position to meet a crisis. They are in debt to the banks, their reserves are fictitious and their assets not having been properly depreciated are absurdly over-valued. When they have any spare cash they usually lend it out from account to account to some Stock Exchange. As all these institutions are closed, that money is gone never to be recovered till the Exchanges reopen and perhaps not then.

We have had such a long period of peace that no one has ever considered what would happen when a big European war came. Sectional wars have come and gone and left only local trouble. To-day the trouble is world wide. The war has burnt up the paper credits.

The national credits rest upon as insecure a basis as the industrial credits. Mainly because so large a proportion of the national income is spent upon unproductive works like armaments. Here in England we thus spend £80,000,000 a year out of our revenue of say £200,000,000. The Income tax is at war level in days of peace, and we are spending our capital with both hands. Yet we are much better off than either France or Germany, whilst the credits of Austria and the Balkan States are to-day in a most dangerous condition. Italy has steadily improved her position of recent years, but the Tripoli war was expensive, and she was compelled to sell large blocks of Exchequer Bills which are still unpaid. Russia has such great resources that her credit probably stands as high as any country in the world. Her debt is enormous, but half of it has been incurred in building railways, which produce a large income. How all the countries now at war will finance their immense expenditure no one can say. France and Russia have huge war chests, and Germany is following the example of revolutionary France and issuing paper in huge quantities. Austria and the Balkan States are bankrupt. They cannot possibly carry on war for any length of time and continue to pay interest on their debts.

III

THE STOCK EXCHANGE

WE shall probably never know whether the German Government acting through the Dresdner Bank or some other agent made a direct attack upon the Stock Exchange. In days like these everybody is suspicious, and numberless things are placed to the credit of the German with which he was only indirectly concerned. We know that some time previous to the declaration of war the Dresdner Bank advised its clients to sell everything. We know that for many weeks before the Austrian ultimatum Canadian Pacifics were heavily sold from Berlin, whilst Brazil Tractions and such like semi-speculative stocks were sold by Germans via Brussels. But we do not know—we only suspect—that the persistent selling was part of a pre-arranged plan to smash the London market. The German banks which have been in the habit of lending money to the House did in some cases withdraw their loans on the Monday before the end of July settlement, after

having stated that they intended to continue them. This is further proof. The City, however, needs no evidence. It has made up its mind that as the German was guilty of duplicity in diplomacy, so was he also treacherous in his finance.

There are hundreds of Anglo-Germans on the Stock Exchange. Many of them to-day fervently pray for a victory for the land of their birth. They are only English by naturalisation, not by inclination. Most of them hate the country and despise the British. Some are spies. But as London is the most free market for stocks, shares, and gold in the world, they have established themselves here. They pay £5 for the naturalisation. It is a cheap investment. The Committee could examine the books of the Anglo-German firms, and might find documentary evidence of the suspected plot to smash the Exchange. There is enough circumstantial evidence to suggest guilt. I cannot see that any harm would come of such an examination. If any firm with Anglo-German partners refused to show their books they would naturally be expelled.

But whether there was a plot or not, selling took place and a panic arose. The arbitrage firms could not get their money from abroad, and they threatened to hammer themselves unless the

House was closed. Also the big lenders of money, finding the position impossible, used their great influence. It is believed that the banks wished a closure. As so many of the members were insolvent there was not much grumbling at the decision of the Committee. The public were not considered in the least. Indeed, the whole panic has shown Mr. Lloyd George, the Banks and the Stock Exchange engaged in protecting the big financiers against the smaller people whose money they were using and whose money they had lost.

The Stock Exchange has been losing money steadily ever since the collapse of the Rubber boom. Of the thousands of members, one-fourth are insolvent to-day. The multitude of small jobbers and brokers who never had much money, now have none. But they are better off than the large firms who, having great banking connexions, utilised their credit and that of their Banks to build up a huge, if partially unsound, business. They made gambling in millions quite easy. But the bulk of their gambling is merely legalised robbing and little else.

I will explain what I mean. A market is made in " A " share by a dealer who lets in all the other dealers on terms. The bargains go through brokers who represent the " shop," which is in most cases

supported by its banker. The dealer in chief and the broker in chief also have bankers at their back. The price of "A" share is pushed up artificially, and when at five or ten times its real value the public is let in, or lured in by a Press campaign paid for by the "shop" or those who act for it. The moment a huge bull account is built up—and this is easily done, as all the bankers, brokers, and dealers will readily lend upon the stock—those who have lent the money sell. This lowers the price, and bankers, brokers, and dealers advise getting out. A collapse ensues, and the insiders, having sold all their stock, can buy back, and the only people who lose are the foolish public. Some notorious cases are Marconi, Brazil Rails, Brazil Tractions. In these three alone millions have been lost. Under no circumstances do the public get any sort of run for their money. They cannot win, and it is not intended that they should. But the collapse of such rigs really benefits no one, not even the shops and the dealers, for the fall is usually so rapid that not even the cleverest jobber can escape being an unwilling bull, and not even the most unscrupulous shop can ever completely unload. On paper the robbing of the public by the insider looks simple. In actual fact so many complications ensue that more often than not

everybody loses money. But even when the fall appears to have come to an end, the price is usually out of all proportion to the real value of the stock. For in the wild effort to keep up the price and get in more buyers the finances of the company whose stock is being manipulated are strained. The capital is watered, the earnings are thrown away in dividends. Nothing is sound, not even the quotation.

Now the Stock Exchange to-day is suffering from a succession of insane gambles such as Marconi, Brazil Rails, Brazil Tractions, etc. etc. Its clients have been ruined. The banks possess the paper; the brokers, the dealers, the shop, all owe money to the Bank. And the actual value of the stock, as I say, is still much too high. So that one is not surprised that the situation is impossible.

The feverish craving to make money quickly has attacked all classes of financiers. The big firms who float loans have been too eager. The power of the public to absorb new issues is limited. In days of good trade the bulk of the savings of the nation go into trade. The investment demand is curtailed. But as the Banks have always been ready to lend, the underwriter and the financier have joined in floating dozens of loans, few of

which have gone. They were most of them reasonably sound. But there were too many of them. The whole business was overdone. Banker, underwriter, and financier are choked up with paper which cannot be sold and which as long as the war lasts never will be sold. Credit has been piled upon credit. The rich man is only rich if he can sell his paper. He may have a million pawned with his Bank, but if he has £100 overdraft he is to-day hopelessly insolvent, for he cannot pay interest on his loan or the pawned stock, and he cannot increase his overdraft.

Now the war came unexpectedly. It caught the Banks overloaned, with little ready money. It caught the brokers half-ruined through the mad gambles of clients who could not pay up. It caught the dealers with securities on their books which they could not sell. It found the gambling public penniless through over-speculation.

The Committee being just as hard pushed as the Banks, the financiers, and the public, lost their head and closed the Stock Exchange. This was the silliest thing that they could have done.

If your house is on fire you try to save some of the contents, you get fire engines. But you do not lock the doors of the burning house and go into the street. Closing the Stock Exchange

meant the destruction of the selling value of paper in which it dealt. Most of it only possessed a fictitious value, the value of a gambling counter. Even the really fine gilt-edged stocks have a partly fictitious value. For if you try to sell them, so weak is the market that the quoted value vanishes. The bulk of the business of the Stock Exchange is speculative, and all speculative stocks are fictitious as to their value, for it depends more upon the state of the account than the dividend paid. Tintos are a great gambling counter, so are Perus. No one would buy such stocks for their yield as an investment. It is nominal. The closing of the House smashed such stocks.

The Committee were too panic stricken to think. Other Bourses had closed, notably Brussels, always a gambling centre, and Vienna, crippled by the Balkan trouble, Paris, weakened by the same wars, was troubled, and though the Parquet remained open the Coulisse was shut up. The temptation to save their own skin was too great and the Committee yielded. With the result that a Bank panic set in and the Banks had to close also.

Numberless schemes have been suggested by which the House can re-open. All are impracticable. Some suggest that the Government should

guarantee the open account. This means that the taxpayer should become a bull of the stocks now held by the gamblers. And a bull who could not win, who must lose! The serious man of business would shudder at finding himself asked to pay the cost of running an open account in Little Chats., Dover A., Marconis, Cuban Ports, Russo-Asiatic, or any other choice gambles. Others hope that the members of the Stock Exchange will form a Trust amongst themselves to carry the open account. But who will find the money? The Banks would not see much fun in exchanging a box of securities backed by personal credit for a debenture in such a Trust secured upon the hope that one day the managers might be able to unload at a profit. They say that about £80,000,000 would be needed. But even if such a sum could be found no one would buy from a Trust at any profit, for who would be such a fool when all this stock was hanging over the market, and the Trust always a seller. Besides the formation of such a Trust would not prevent anyone from dumping all their securities on the market whenever any bad news came along. That is the real danger to this or any other plan of reopening.

The Committee realise this, and have decided to

prohibit any sales of Trustee stocks under prices fixed by them. They also prohibit sales for account. All sales must be for cash. But this action of the Committee can have no good effect. It simply chokes off any business. No one can now sell Consols, however hard pushed he may be, except at the fixed price. The scheme which was intended to stimulate business has killed it. As one member put it "Anyone can sell below the minimum except a member of the Stock Exchange—Banks, Insurance Companies or private holders—not a member of the House!" "Fixed minimum prices are the absolute negation of Stock Exchange business," writes another member. The plain truth is that the scheme was formulated in the interests of the dealers, not the brokers. It is completely unworkable unless we get an almost instant peace. Even in this happy conclusion a reopening of the House with free markets and cash down would be infinitely better, for in most of the stocks whose quotations are definitely fixed, there is hardly any market at all.

IV

THE BANKS

THE Banks have long been loooked upon as sacrosanct. Something quite holy. Above all criticism. The Bank Managers are pontiffs. Head Offices are Temples of Mammon, more gorgeous than those of any other faith. Solemn airs hang round the Bank. Those who run them are supposed to be High Priests of Finance. "Safe as a Bank" became a proverb. But to me the ordinary Bank Manager has appeared one of the funniest things in the world. His pompous manner put on to hide his entire ignorance of finance. His patronising airs when he kindly allowed you to borrow on gilt-edged security at one per cent. above Bank Rate. His childish rules and regulations. All these appealed to my sense of humour. Yet it was all very sad indeed when you came to analyse it.

These bankers handle the money of the community. Some of it when placed upon deposit receives interest, but more than half the money is

at the disposal of the bank without charge. £1,200,000,000 of cash is held by our bankers to-day. Each year the sum grows larger. In 1880 it was only £356,000,000. Money rolls in and profits go on increasing. The Banks have a capital of £85,750,000, and total liabilities of nearly £1,400,000,000. They make 22·39 per cent. on the capital. But so inefficiently are they managed that in spite of, or perhaps because of, their 9000 branches, they only earn 1·38 per cent. on the funds employed.

This absurdly low return is due to the system. The great joint stock banks have been fighting for business in two ways. One by establishing branches all over Great Britain, the other by amalgamation. In 1880 there were 101 banks. To-day there are only 77. Every year sees the number of independent banks lessen. It is impossible to adequately supervise each branch. Therefore books of rules have been devised. The book of rules is the law—the bible of the Bank Manager. He dare not infringe one single clause under pain of instant dismissal. The officials are reduced to mere machines. All initiative is stamped out. Anything not provided for in the book of rules must be referred to head office. But even the general manager is rule bound.

There are not more than three intelligent general managers in the whole of London. The rest are excellent officials—no more. The severe discipline destroys individuality. But it fosters honesty. Bank clerks and bank managers are rigidly honest; they are too stupid to be anything else. The machine works admirably in days of peace, but it breaks down in a crisis. Of this we have had a bitter experience during the past month. When the bank managers met Lloyd George there were only two who were prepared to act on their own initiative without reference to their Boards.

The banks all work upon the same lines. They utilise about 40 per cent. of their available funds in making advances. Some banks do not state separately how much they use in discounting bills, but if we may judge from such returns as are available, the banks utilise about 13 per cent. in this direction. The average amount of cash kept in hand is 12 per cent., but some of the largest banks keep from 15 to 17 per cent. cash in hand. The latest bank returns show a large increase in this item. The public must not be misled. Some of the banks have borrowed large sums of paper money from the Government upon which they pay interest, therefore their position is very little improved although the cash looks larger. Cash in hand is the

first line of defence, the only one that was of the smallest avail in the recent panic. Cash at call, which averages out at 11 per cent. of the total funds available, is the bank's second line of defence. This is money lent out to discount houses and bill brokers and is only partially available. If all the banks got afraid and called in their second line of defence Lombard street would smash in twenty-four hours. None of the banks dared to call upon the second line last month. The moratorium if it helped to protect their deposits also protected the discount houses who owed money to the banks. The third line of defence is the item of investments. These are carefully made and amount to about £240,000,000. Probably the banks have utilised about £20,000,000 in depreciating these investments since 1889. Some banks out of sheer indolence invest far too heavily. Investments in gilt-edged stocks look pretty in a balance sheet and are invaluable for insurance companies whose first consideration is a steady income. They are the worst things the banks can hold. When a panic comes the bank needs all its resources, but in days of panic investments are unsaleable. To-day with every Bourse in Europe closed the £240,000,000 is almost waste paper. If the war lasts three years and the Stock Exchange remains closed during the whole of that

period the investments of the bankers will not be worth £120,000,000.

The soundest and most liquid form of investment is a bill. Here the money is always coming in and going out. The risk of loss by depreciation is nil, whilst under careful management the risk of bad debts is equally small. But the bill business requires constant attention and some capacity. Therefore many bankers neglect it. If the Joint Stock Banks had 30 per cent. of their money invested in bills they would be much sounder to-day. If the Birkbeck Bank had invested its huge funds in bill discounting it would never have collapsed.

I have said that the curse of our banks is the rigidity of their rules, which leads to indolence and brain atrophy. None of our banks have any system of information bureaus. In every foreign bank can be found a complete dossier of every limited company in the world, and attached to this dossier are the expert opinions of various people upon the enterprise. Foreign bankers spend money freely in acquiring information. They send capable people all over the world who are continually studying the financial position. They check these experts by other experts. They try to arrive at an accurate judgment. As a result of this efficiency

the great French and German banks have captured a large trade which English banks once had and should have to-day. We lend more money than anyone else in the world, yet our banks know less than any small French or German provincial bank.

I have travelled all over the world. Everywhere I have found the foreign banker hard at work collating information, storing up facts, and pushing for trade. The book of rules of an English bank does not provide for an intelligence department. Had our great Joint Stock banks known as much as the German "D" Banks, does anyone think that they would have been compelled to go on their knees to Lloyd George, beg for a moratorium, and close down for five days. The idea is absurd. They would have smashed the "D" banks, got the acceptance houses out of trouble, and England would have scored a huge first success over Germany before even the war began. If the banks had had an intelligence bureau they would have known a fortnight before war was declared that the Dresdner had cleared the decks for action and left little to chance.

But they crawled at the feet of the Chancellor, and so perilous was their position that they gave a floating charge over all their assets. These assets, be it noted, include the money of their customers,

which is not their property at all. They could not get gold, for there was not enough in the country to go round. Paper money had to be printed, and it was lent to them at 5 per cent. interest. But as the interest was to be paid monthly, the charge worked out at about 5¼ per cent. Mr. Lloyd George grumbles because the banks are costive. How can a bank lend money on bills of lading or help its traders when it has to pay 5¼ per cent.? A bank is not a philanthropist. It must make some profit. The exaction of such huge interest was foolish, because no bank that was not in dire straits could afford to push the £1 and 10*s* notes on such terms. The Chancellor wished to make the new note issue popular. He did the very thing to curtail it. Indeed, one of the Joint Stock banks which took £1,250,000 of these notes returned £750,000 in a week or two. It saw no reason why it should pay 5¼ per. cent. for currency when it could discount its own paper on much better terms.

The arrangement made to put the exchange market upon its legs was equally absurd. It was preposterous to guarantee the Bank of England against loss in buying bills "without recourse." The result will be a loss to the taxpayer of about £50,000,000. This loss would not matter if the

experiment had proved successful, but the venture was a complete failure. The exchange market was not reinstated. The only thing that happened was that stacks of doubtful bills in London were shot into the Bank of England to be a burden upon the taxpayer.

The bewildering notices issued by the Treasury were all so vague and ill-worded that not a man in Lombard Street knew what they meant. No doubt they were issued with good intent. But they should have been drafted by people who understood the money market. Clarity of expression is essential in business. The notices were written by lawyers whose very existence depends upon an involved terminology which never fails to bring grist to the law courts.

The Treasury does not understand that words alone cannot help either the banks or the acceptance houses whose whole assets with the exception of about 15 per cent. in cash are locked up in paper that cannot be negotiated. Credit has gone. It cannot be restored by legal notice. The trader needs accommodation on sound lines. He cannot get this if the banks are charged Jew rates for Government help. The acceptance houses are full of paper which till the war is over has no value.

V

THE MORATORIUM

WHEN panic struck the City and the Stock Exchange closed, the Government did an extraordinary thing. They proclaimed a moratorium. They closed the banks for five days. It was the act of people who lost their heads. The Stock Exchange is a private institution ruled by a committee. Some of the most important members were, for the moment, insolvent. These gentlemen closed the House to save their skins. The arbitrage houses and a large number of members who could not pay up, either because they could not collect their foreign debts or because the fall in prices had eaten up margins and left them in debt to the banks brought great pressure to bear upon the committee. The banks closed because there was a severe run upon their gold supply. If the Government had acted promptly they could have remained open. Public confidence in the banks has now been restored. It would never have been shaken at all had the Government exercised a little foresight.

Both banks and Stock Exchange closed to save themselves. However much we may despise their cowardice, we can understand it.

But the moratorium was inexplicable. Those who owed money and could not pay because their funds abroad were locked up, might easily have been protected by a partial moratorium, such as has been established in many countries. The ordinary trader, the shopkeeper, the merchant, the manufacturer, did not need any protection. They were shocked at the suddenness with which war came upon them, they were frightened by the Stock Exchange panic, but they were amply protected by the general good sense of the nation. The average Englishman is quite honest. He always pays when he has got the money. He is not accustomed to either ask for or give long credit. Therefore his commitments are never very heavy or out of proportion to his business. The strain caused by the declaration of war would have been disagreeable, but in a few weeks matters would have adjusted themselves.

The Government gave us no chance to accommodate ourselves to war conditions. It chloroformed the trader. It did not consider that by protecting the banker and the acceptance houses, a small section of the community, it was injuring the

whole trade of the country. A manufacturer accustomed to collect his accounts monthly, but who pays his wages weekly, was completely upset. He did not know whether his customers would pay, but he clearly recognised that he must pay his workpeople. In such a case the moratorium meant an increase of the unemployed. The wretched small shopkeeper, accustomed to give long credit, found that the middleman who supplied him was asking for cash down, whilst his customers were pleading the moratorium. The measure meant stark ruin to him. To keep his shop open he had to pay cash, if he wanted to keep his customers he could not ask for cash in the face of a moratorium.

The rogue who lived upon his wits chuckled. He saw a way of evading all liabilities for the moment. He doubled his orders, he lived like a prince upon credit, he dunned everybody who owed him money and he refused point blank to part with a shilling. He laid in a huge stock of provisions on credit, and he thus helped to rush up the prices of the necessaries of life. The action of the politicians had exactly the opposite effect to what was intended, a common occurrence when things are done in a hurry. The moratorium was intended to help the needy and the honest. It nearly ruined them.

There was some excuse for protecting the bankers, for a run on the banks had to be stopped at any cost. But a suspension of the Bank Act and an issue of paper money would have had a far better effect than the moratorium and would not have affected public credit. It would have been sound policy to protect those who were owed money abroad which they could not collect. It was to the advantage of everyone in the City that the acceptance houses should be protected. But these houses have now been sheltered under the new scheme by which the Bank of England buys bills and does not ask for its money until a year after the war has ended. This should have been carried into effect before the banks closed down. Then the second line of defence to the banks would have remained and the Bank Holiday need not have been extended. If depositors will keep their funds at their bankers, if traders will continue to use cheques, the machinery of the banks will run smoothly.

The banks, whatever Mr. Lloyd George may say, have on the whole acted reasonably. They cannot be expected to take risks in days like the present.

We must support the credit of Great Britain. We must show the world that although we are at war we can carry on our business. Silly people

say "Business as usual," but there was no meaning in this phrase as long as the moratorium lasted. No one can carry on business if a legal debt can be held up. The metal exchange is closed. No one could deal in copper if they were not sure when they would be paid.

There is no moratorium in Germany. Russia, Norway, Sweden, and Holland have only a moratorium that refers to foreign bills of exchange.

We have escaped the horrors of war. Our land has not been ravaged like Belgium or France. Our population goes on its way unconcernedly. To the stranger who does not read the newspaper placards or see the recruiting offices, Great Britain presents her usual normal aspect. We take things with stolid patience. There is no sign of panic anywhere. The only people who appear terrified are Cabinet Ministers who issue strange and ill-considered edicts every day. They are terrified lest we should get drunk, so they have closed the public houses at eleven. They are terrified lest we should learn the truth about our Army and our Navy, so they have established a Press censorship—meddlesome, incompetent and untruthful. They are terrified lest we should remain honest and thus deprive the attorneys who rule us of their bread and cheese, so they proclaim the astounding news that we may refuse to

pay our just debts. Whatever they do they do wrong. People still drink beer and whisky. News still creeps out, and sad to say some honest people remained in England who persisted in ignoring the moratorium.

We are not panic-stricken. We are calm and determined to fight the war to a finish. We are not hard up. We have plenty of the world's wealth. Our trade is fairly good, everything considered. We remain patient under our futile edicts, we are simply sorry for the people who make them. We shrug our shoulders and charitably declare that the Government is doing its best. We cynically ask each other what we can expect of men who are at once lawyers and politicians—a quintessence of chicanery.

But we don't want our business interfered with by any moratoriums. We don't want rules enacted which may breed rogues. Englishmen all the world over have had a good name for honesty. They have paid their just debts. They don't want to shelter behind the law. They wish to behave like honourable men. The moratorium led the world to think that our character had changed. It has not. But what has changed is the character of our statesmen.

VI

HOW TO SAVE THE SITUATION

THE question which every Englishman must ask himself to-day is "What can we do to save the situation?" Credit is broken, securities are unsaleable, the moratorium dislocated trade, exchange is shattered, the banks cannot pay their depositors more than four shillings in the pound, the Stock Exchange is closed, the metal exchange does no business. Delay cannot mend matters. The banks as a body are opposed to either the reopening of the Stock Exchange or the cancellation of the moratorium. They are afraid that the first would produce heavy sales. Margins on loans would run off and bankers would be faced with losses which they could not recover. They think that when the moratorium is cancelled they may be faced with another big run in the event of an attempted German invasion. There is little or no chance of the exchange market reviving whilst the most important kingdoms of the earth are at war.

Nevertheless Great Britain must find money to carry on the war, and if she is to float loans she must attempt to revive credit and trade, and keep an open market in commodities and securities. The bulk of the wealth of the nation is invested in these. A millionaire might wish to lend his million to the nation, but how can he? It is already locked up in (1) A deposit account; (2) A current account; (3) Trustee securities; (4) Foreign securities; (5) Loans; (6) Real Estate or house property. The closing of the Stock Exchange stops him from selling his securities, he finds it difficult to either sell or mortgage his property because no one is any better off than he is. How then can he help the Government? The matter is of extreme urgency. We are now committed to an army of a million men. We shall perhaps spend £500,000,000 in the first year of the war. No one will grudge this. Everyone knows that the more money we spend judiciously the quicker will the war be over.

It is absurd to imagine that we can go on peddling out Exchequer bills. It is equally absurd to think that the Joint Stock banks will buy paper currency at the London deposit rate. It is impossible to believe that the Chancellor when he issued the little treasury notes could have

thought that he was going to finance the war in this way. He can only put them into circulation through the banks and the banks cannot afford to take them, and indeed have no means of placing them with the public. We must make some big national loan issues. We must provide not only machinery for selling old securities to pay for new ones, but also machinery for placing the new loans.

Germany has financed herself by mobilising the whole wealth of the nation. Every kind of commodity, every species of property, grain and bric a brac, ironworks, and millinery are convertible into legal tender on a Government valuation. The Reichsbank has absorbed all the gold and bullion, and has issued paper. It has made loans on all kinds of securities. It has started war banks in all the large towns. These give traders the accommodation they require. It began its financial mobilisation concurrently with the declaration of war. The wealth of Germany has been estimated at £16,000,000,000 and the yearly income of its citizens at £2,000,000,000. I ought to mention that this estimate was made in peace time. The amount borrowed from the war banks has not yet been published. The loans upon commodities and real estate are now handled by a separate bureau, therefore we

cannot say exactly how much wealth has been mobilised. But we do know that about £100,000,000 of paper money was created in the first fortnight of the war, and that to-day the amount is about £200,000,000. It is said that the notes are at a discount of twenty per cent., but this statement has not been confirmed, and it is doubtful whether it is true. But whether it be true or not it is clear that Germany had no other means of carrying on the war than by issuing notes. Whether they stand at a discount or not she must go on printing them and go on making loans against all classes of securities. She must provide money for her citizens to live upon, and she must give them the funds with which they can subscribe to the war loans. France in 1870 issued notes, suspended the right of conversion into gold, and ceased to publish the gold reserve of the Bank of France, yet the notes never fell below par. It will be remembered that the Bank of France started the war of 1870 with about £52,000,000 in specie. Germany began her campaign six weeks ago with £75,000,000. We need not trouble to examine how either France or Russia can finance the present war. Their combined hoard of specie is probably about £350,000,000. Russia annually produces about £5,000,000 of gold within her own territory.

The stock of gold in Great Britain is comparatively small. It has been guessed at anything between £50,000,000 and £100,000,000, let us say £75,000,000. No one knows how much gold is carried in the pockets of the people. But it must not be forgotten that our colonies have an annual output of nearly £50,000,000 of gold. This, of course, is paid for in Bank of England notes which are convertible into gold. If we had a forced paper currency we could pay for this gold in paper.

It is clear that with our whole wealth immobilised we must adopt heroic measures. I suggested when the Stock Exchange closed that we should issue paper money not convertible into gold against the security of trustee stocks up to 50 per cent. of their face value. These stocks have been hall-marked by Government. There can be no question as to their value. The interest upon them is as secure as that upon Consols themselves. The banks hold about £240,000,000 of these securities. The insurance companies are large holders. Nearly every rich man possesses some. If we issued up to 50 per cent. of the face value to anyone who deposited the stock at the Bank of England we could provide enough currency to pay for the war for an indefinite period. We could utilise our gold supply in paying for our outside food supplies.

Not only should we put our rich people in funds and enable them to subscribe to the war loans but we should also put the banks in funds. They would benefit in many ways. They would be able to send back the Treasury notes on which they pay interest. They would obtain currency and save their gold. Customers who now have loans running would be able to repay at least a portion of these loans, and thus make the assets of the bank more liquid. Roughly speaking, the banks which now only have 15 per cent. in their first line of defence would increase this amount to 50 per cent., an enormous liquid reserve, quite enough to keep them safe, even if the war lasted half a dozen years.

The issue of currency against trustee stocks would allow the Stock Exchange to reopen at once. All really solvent firms hold large blocks of trustee securities. They would raise money upon them. Their clients who owe them money could reduce their debts in a like manner. Many limited companies have lent money to the Stock Exchange. That money is locked up and cannot be released until the House opens. Dividends cannot be paid by such companies, but if they could raise money on their reserves, which are often invested in part in trustee stocks,

they would obtain much-needed working capital.

The Government could not possibly come to any harm, for, though they would not get any interest upon the notes issued, they would be certain of getting all their money for war expenses, also they could pay for the Colonial gold with such notes, and thus add to the stock of gold and make the general position sounder. They might even charge a nominal figure of 2 per cent. interest. That would not hurt anyone.

The whole trade of Great Britain would revive under the flow of currency. No one has any money to-day; no one can borrow, no one can sell. No one, however patriotically inclined, can lend to the Government. But once we had a paper currency the business of buying and selling would revive, dealings in securities would be re-established, dividends would be resumed, and an approach to normal would be attained.

That there are many objections to the scheme I am well aware. There are hundreds of members of the Stock Exchange who hold no trustee securities. They will reply that they are no better off, but I do not agree. Those who hold Russians, French Rentes or other foreign Government bonds American and Canadian bonds, would be able to

borrow on them freely, for money would be plentiful and confidence would be restored, the House would be open, the members making money once again. Some of the bankers would object. They have been building up a gold reserve. One or two of the big banks have quite respectable private hoards. But I think that they need not worry. Their gold would not lose in value. It is conceivable that if the war lasted a long time, which God forbid, their gold would go to a premium. It certainly would not deteriorate.

The impecunious financier, the insolvent member of the Stock Exchange would, it is true, remain hard up. But nothing is going to help such people. War means destruction. The weak must go to the wall. The gambler must suffer. That is inevitable. But to-day the rich and careful man who has put his savings into trustee securities is no better off than the speculator. He cannot borrow because the banks have no money to lend. All the savings are locked up.

There is a chance that the paper thus created might depreciate. The nation would have to redeem its paper, but it need not be redeemed in gold until some time after the war was over. The right of redemption would have to be retained by the Government. The nation must, of course, bear the

cost. It might be heavy. But it could not be much heavier than the cost of issuing loans at a high rate of interest or a heavy discount. Not even a British Government can borrow in war time on the same easy terms that it can secure in days of peace, and unless some means be taken to mobilise the wealth of the nation it cannot borrow at all.

We must not forget that there are no foreign nations capable of lending us any money to-day. We cannot look to the United States. President Wilson considers that the making of a loan is a breach of neutrality. Norway, Sweden, and Denmark are solvent, but they are not rich enough to finance Great Britain. We ourselves must find what money is needed to carry on the war. We must lend money to Belgium, to Japan, to South Africa, to India, and to Egypt. How can we possibly find this money? The Stock Exchange is closed, the banks are only open as a clearing-house for cheques—they are no longer big lenders of money. The whole continent of Europe with its huge reservoir of wealth is in a state of war. Capital is being destroyed daily, depreciation goes on hour by hour. We are perhaps the richest Empire in the world, yet when war was declared we had not enough money to go round, and we had to shut the banks whilst we printed a few

UNIV. OF

notes. How then can we meet the immense cost of this war unless we issue paper money?

We must mobilise our wealth, not recklessly as Germany has done, but carefully. Let us begin with our trustee stocks. If we have to pile pig upon pork let us choose the best pigs in the market. Trustee stocks are not local, they are imperial. I cannot see any other way out of the trouble. We must act and act at once. Things will not be mended by waiting for something to turn up. Depreciation and dry rot grow apace. I do not say that my scheme is perfect, but when half the civilised world is at war a perfect scheme is impossible.

Mr. Lloyd George may not be a financier, but he is a great orator and therefore possesses the power of crystallising the truth in a simple phrase. He told us that the war would be fought "with silver bullets." France and Russia have a good supply. Germany has no more than ourselves, not quite so many. But our Colonies will give us fifty millions a year, therefore we can wear down our foe whose bullets must be exhausted sooner or later; ours cannot be exhausted. In three years we should have built up a gold supply of £150,000,000, quite good enough for a note issue of five hundred millions of paper.

The gold bugs will scream. But they must remember that after all gold is but a token of value, a mere convenience. No one uses gold in the States, yet I do not suppose the credit of that great country has suffered. In Scotland, where every man is born to finance, gold coins are rare, even here in England we have become quite used to paper during the past few weeks. But we want more of it, we want to be able to realise our wealth, which is undeniable. Our credit, which is second to none, will prevent any long-continued depreciation of the paper.

I want people to understand how serious the financial situation is to-day. Until they do they will not move, I want them to realise the vastness of the fight. Until they do they will not rouse themselves. We must have a million men in the field. We must have more ships, more airships, more guns. We must spend money with both hands. And we can only get that money by at once immobilising our vast wealth. To immobilise quickly we must issue paper money.

PRINTED AT
THE BALLANTYNE PRESS
LONDON ENGLAND

J. W. VICKERS & CO. Ltd.

(Established 1860)

General Advertising Offices: **5 Nicholas Lane, Lombard St., E.C.**

SPECIALISE IN

FINANCIAL ADVERTISING

Including more particularly **Prospectuses of New Capital Issues, Balance Sheets and Reports of Directors, Reports of Company Meetings, Transfer Book Closings, Debenture Drawings, &c.**

The organization and service of J. W. Vickers & Co. Ltd. in financial advertising are unequalled.

In the last three years the firm has been responsible for advertising New Capital Issues involving a sum total of £120,000,000.

A point of special importance is the daily issue of "**Vickers' News Sheet.**" This News Sheet comes each evening before the notice of the Editorial Departments of the principal journals, and is regularly and extensively quoted from. It thus affords an unique channel for dissemination of news items of Public interest relating to Companies, etc. No charge is made to clients for "**Vickers' News Sheet**" Service.

Telephones { Avenue 1303 / Central 4751 — *Telegraphic Address:* "Koltzo, Cannon, London" — *Code:* Western Union

Estimates Free ***Enquiries Invited & promptly attended to***

WHY PAY RENT ?

The CITY LIFE SCHEME enables Policyholders to reap the benefit of their investment **during their own lifetime,** and in the event of premature death to leave their legal representatives in possession of a house of their own free from any mortgage charge or encumbrance. Particulars post free.

Good prospects for active Agents

The City Life Assurance Company Ltd

6 Paul St., Finsbury, London, E.C.

M. GREGORY, *General Manager.*

The

New Witness

PUBLISHED ON THURSDAY **Price Sixpence**

The Most Brilliant Weekly Paper in London
The Organ of Clean Government and
Independent Thought

EDITED BY CECIL CHESTERTON

Amongst the Contributors are:

HILAIRE BELLOC G. K. CHESTERTON
H. G. WELLS BERNARD CAPES
MAURICE BARING

The City Article is Written by
RAYMOND RADCLYFFE
Read it and you will save money

Editorial Offices: 20–21 ESSEX STREET, STRAND, W.C.
City Offices: 15 COPTHALL AVENUE, E.C.

THIS BOOK IS DUE ON THE LAST DATE STAMPED BELOW

AN INITIAL FINE OF 25 CENTS

WILL BE ASSESSED FOR FAILURE TO RETURN THIS BOOK ON THE DATE DUE. THE PENALTY WILL INCREASE TO 50 CENTS ON THE FOURTH DAY AND TO $1.00 ON THE SEVENTH DAY OVERDUE.

APR 19 1939

LD 21–95*m*-7,'37

324291

HJ1023
R3

UNIVERSITY OF CALIFORNIA LIBRARY

For the Latest and Most Reliable Financial Information READ

The Financial Times

DAILY - ONE PENNY

Largest Circulation of any Financial Journal in the World

QUOTATIONS

The FINANCIAL TIMES contains the most complete, reliable, and recent quotations of all the leading stocks and shares in which dealing is authorised by the Committee of the Stock Exchange.

ANSWERS TO CORRESPONDENTS

Any Reader of the FINANCIAL TIMES who may be in doubt regarding the wisdom of any financial transaction can always obtain, gratis, the best advice of the financial experts by whom that journal is conducted, through the medium of the "Answers to Correspondents" column.

The Financial Times

circulating largely and almost exclusively among the moneyed classes, is unrivalled as a medium for advertisements designed to reach the wealthy and the influential public.

Editorial and Advertisement Offices:

72 COLEMAN STREET, LONDON, E.C.

TELEPHONE LONDON WALL 3436